



General Assembly

January Session, 2017

Raised Bill No. 7161

LCO No. 4404



Referred to Committee on BANKING

Introduced by:
(BA)

***AN ACT REQUIRING SERVICE PROVIDERS UNDER CERTAIN
RETIREMENT PLANS TO DISCLOSE CONFLICTS OF INTEREST.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2017*) (a) Any person that (1)
2 enters into a contract or agreement with a retirement plan to provide
3 services to such retirement plan, and (2) reasonably expects to receive
4 one thousand dollars or more in compensation, direct or indirect, in
5 connection with the provision of such services, shall disclose to a
6 fiduciary of the retirement plan any conflict of interest such person has
7 with such retirement plan. For the purpose of this section "retirement
8 plan" means any retirement plan created under Section 403(b) of the
9 Internal Revenue Code of 1986, or any subsequent corresponding
10 internal revenue code of the United States, as amended from time to
11 time, that is not regulated under the Employee Retirement Income
12 Security Act of 1974, as amended from time to time.

13 (b) Disclosures pursuant to subsection (a) of this section shall
14 include, but need not be limited to, a description of (1) services to be
15 provided to the retirement plan pursuant to such contract or

16 agreement, (2) the compensation such person or an affiliate or
17 subcontractor of such person expects to receive as a result of such
18 services, and (3) any direct or indirect compensation that such person
19 or an affiliate or subcontractor of such person expects to receive in
20 connection with termination of such contract or agreement.

21 (c) The Department of Treasury, in consultation with the
22 Comptroller, shall adopt regulations, in accordance with the
23 provisions of chapter 54 of the general statutes, to implement and
24 administer the provisions of this section. Such regulations shall be
25 guided by the United States Department of Labor's Final Rule
26 concerning contracts or arrangements under Section 408(b)(2) of the
27 Internal Revenue Code of 1986 published in the Federal Register of
28 February 3, 2012.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2017	New section

Statement of Purpose:

To require service providers under 403(b) retirement plans to disclose conflicts of interest.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]